

1953 - Economy.

4. Elaborate about variety of factors that are leading to business failures & loan write offs in banking sector.

Ministry of State of finance - data shows. totally ~~up to~~ more than 29 Lakh crore ^{non-performing assets} has been written off. of these more than 27 Lakh crore are from public sector banks alone.

various factors → Leading to Loan write off and business failures

1. Economic downturn due to geopolitical tensions, pandemic effect etc; are hitting profits of banks and business
2. Technological factors, regulatory hindrances, government policies (or) even rising competition.
3. Judgemental errors ~~is~~ with respect to household (or) business - to provide loans
4. Frauds and malfeasance are also among one of the factors eg: Big businesses men like Mirav Modi, Vijay Mallya

5. Though prudential norms for Income Recognition, Asset Class Regulation, provisions are followed for '2' decades, yet hid off of bad loans happening.

RBI in 2015 brought policy changes to clear bad loans to prevent hid off non-performing assets. This further loan writeoff

6. Insolvency & bankruptcy Resolution - mostly met with increased ~~anti~~ haircuts. To compensate for the loss - loan write offs was bailed out.

way forward

non-performing Assets at - lead to less attraction towards investors. Hence loan writeoffs is mostly seen as finance health farming, backyard clearing, image enhancing measure